GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:802
ANSWERED ON:18.07.2002
SECURITISATION OF DUES
IQBAL AHMED SARADGI

Will the Minister of POWER be pleased to state:

(a) whether the Gridco has decided to sign a tripartite agreement with the Union Government regarding the Securitisation of dues to the central power utilities;

(b) if so, the main reasons given by Gridco in this regard;

(c) whether the Gridco has also stopped power supply to Andhra Pradesh; and

(d) if so, the reaction of the Union Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) : Not yet, Sir.

(b) : The Tripartite Agreement to operationalise one-time settlement of outstanding dues payable by State Electricity Boards to the Central Public Sector Undertakings (CPSUs) is to be signed among the Government of India, the Reserve Bank of India and the State Governments concerned. Government of Orissa sought a few changes in the terms of the agreement, viz., full waiver of interest on delayed payment (against 60% waiver provided in the scheme), waiver of 30% of outstanding principal amount, moratorium of 5 years on the payments of interest on the bonds, starting full payment of current dues from the third year of the scheme, giving Orissa the status of `most favoured State` in allocation of Accelerated Power Development and Reform Programme funds for having already implemented the reforms.

However, they have been advised to sign the model Tripartite Agreement without deviation as the CPSUs have already made large sacrifices by way of
(i) waiver of 60% of interest/surcharge payable on outstanding dues as on 30.09.2001;
(ii) incentive of 2% of the nominal value of the bonds (to be paid by the State Governments) payable by the CPSUs for opening and maintaining Letters of Credit; and
(iii) incentives payable by the CPSUs upto 19% of the nominal value of the bonds to be issued by the State Governments for not defaulting on repayment of current dues and adhering to performance milestones, etc. As this model which has already been approved by the Government of India has emerged after discussions in the high level Empowered Group of Chief Ministers, which also include Chief Minister of Orissa and was Chaired by the Deputy Chairman of the Planning Commission, further changes and concessions are not feasible now.

(c) : It has been ascertained that power was being transferred from GRIDCO (Orissa) to APTRANSCO (Andhra Pradesh) through Balimela − Upper Sileru 220 KV line as per bilateral agreement valid up to 31.3.2002. This was extended upto 15.4.2002 on APTRANSCO`s request. The supply to APTRANSCO was stopped from 16.4.2002 due to non-payment of dues by APTRANSCO to GRIDCO and power shortage in GRIDCO due to regulation of power supply by National Thermal Power Corporation (NTPC). NTPC has withdrawn the regulation of power supply from 21.5.2002.

(d) : Power purchase between State Grids being a bilateral issue, GRIDCO and APTRANSCO may now enter into agreement for power supply, if they so desire through mutual discussions.